

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Liquor Commission of the City and County of Honolulu will hold a public hearing in the hearings room of the Liquor Commission, 711 Kapiolani Boulevard, Suite 600, Honolulu, Hawaii, on **Tuesday, March 9, 2004, at 4:00 p.m.**, to consider the adoption of revised Rules of the Liquor Commission of the City and County of Honolulu.

The purpose of these proposed revisions is the adoption of increased liquor license fees and related processing, permitting and filing fees.

Rule 17.5-1 License Fees. Proposes an increase to existing liquor license fees which bear a direct and proportionate relationship to costs and expenses of the Commission in its control, supervision, or regulation of the manufacture, importation and sale of liquors, or otherwise directly related to the actual costs and expenses of administration of the Commission, as summarized below:

Rule 17.5-1 License Fees.

- (a) The fees for licenses shall be per annum except where specified. In addition to the basic license fee, an additional license fee will be assessed. This additional license fee will be assessed if the gross liquor sales achieves a certain threshold (hereinafter referred to as “deductible”). The additional license fee assessment will be calculated on the net of the gross liquor sales less a deductible. The deductible will be prorated for licenses issued during the course of the fiscal year.

***The deductible will be calculated through the following formulas:**

1) Calculation of fund balance at the end of the year.

BFB = Beginning Fund Balance
LRF = License Renewal Fees collected
ALF = Additional License Fees collected
MR = Miscellaneous Revenue (estimated = average over three years)
(BUD) = Budget for current fiscal year

 $\overline{\text{PEFB}}$ = Projected Ending Fund Balance

2) Calculation of Additional Fees required for the next fiscal year.

EFB1 = Ending Fund Balance (20 percent of BUD1)
BUD1 = Budget submitted for next fiscal year
(BFB1) = PEFB from formula #1
(LRF) = License Renewal Fees (same as formula #1)
(MR) = Miscellaneous Revenue (same as formula #1)

 $\overline{\text{ALF1}}$ = Additional License Fees required

3) Calculation of the DEDUCTIBLE.

The gross liquor sales for each licensee will be entered into a database. The gross liquor sales will be analyzed and based on the assessment rate of the respective class and additional license fees required (ALF1), the deductible for the fiscal year will be calculated.

A maximum additional assessment fee has been established for each class. The fees for licenses based on different classes, kinds, and categories shall be as follows:

License Class	Kind	Category	Proposed Basic Fee (\$)	Proposed Assessment Rate (%)	Proposed Maximum Fee (\$)
Class 1					
Manufacturer	Beer		1,320	0.001	5,000
	Wine		660	0.001	5,000
	Locally Grown				
	Fruits		120	Not Applicable	Not Applicable
	Alcohol		360	Not Applicable	Not Applicable
	Other Liquors		1,320	0.001	5,000
Class 2					
Restaurant	General	1-Standard	1,200	0.005	25,000
	General	2-Music/Dancing	1,320	0.005	25,000
	Beer & Wine	1-Standard	900	0.005	25,000
	Beer & Wine	2-Music/Dancing	960	0.005	25,000
	Beer	1-Standard	360	0.005	25,000
	Beer	2-Music/Dancing	420	0.005	25,000
Class 3					
Wholesale*	General		2,640	0.001	20,000
	Beer & Wine		840	0.001	20,000
	Alcohol		120	Not Applicable	Not Applicable
Class 4					
Retail	General		1,200	0.0025	15,000
	Beer & Wine		900	0.0025	15,000
	Alcohol		60	Not Applicable	Not Applicable
Class 5					
Dispenser	General	1-Standard	1,200	0.005	25,000
	General	2-Nudity	1,440	0.005	25,000
	General	3-Music/Dancing	1,320	0.005	25,000
	General	4-Hostess	1,440	0.005	25,000
	General	3 & 4	1,500	0.005	25,000
	General	2 & 3	1,620	0.005	25,000
	General	2 & 4	1,620	0.005	25,000
	General	2, 3 & 4	1,740	0.005	25,000
	Beer & Wine	1-Standard	900	0.005	25,000
	Beer & Wine	3-Music/Dancing	960	0.005	25,000
	Beer & Wine	All Other			
		Combinations	1,020	0.005	25,000
	Beer	1-Standard	360	0.005	25,000

	Beer	3-Music/Dancing	420	0.005	25,000
	Beer	All Other Combinations	540	0.005	25,000
Class 6 Club			660	0.005	15,000
Class 7 Vessel			660	Not Applicable	Not Applicable
Class 8 Transient Vessel	Per Day		60	Not Applicable	Not Applicable
	Per Year		1,320	Not Applicable	Not Applicable
Class 9 Tour/Cruise Vessel**			900	0.005	10,000
Class 10 Special, Per Day	General		60	Not Applicable	Not Applicable
	Beer & Wine		40	Not Applicable	Not Applicable
	Beer		30	Not Applicable	Not Applicable
Class 11 Cabaret	General	1-Standard	1,980	0.0075	30,000
	General	2-Nudity	2,400	0.0075	30,000
Class 12 Hotel*	General		3,960	0.0075	45,000
Class 13 Caterer	General		30 Per Day	Not Applicable	Not Applicable
Class 14 Brewpub			1,680	0.0075	40,000
Class 15 Temporary			275	Assessment Rate of License Class	Not Applicable

*The deductible for this license class will be phased-in over a three-year period.

**The assessment rate will be applied to four (4) times the amount paid the wholesale licensee for liquor.

- (b) Solicitors' and Representatives' Permits. The fees for solicitors' and representatives' permits shall be for each license year (commencing on July 1 and ending on the succeeding June 30) and shall be in the following amounts: General, \$140; Beer and Wine, \$85; Alcohol, \$6.

Rule 17.5-8 Trade Name; Change; Fee. Proposes an increase to the processing fee assessed for a change to a licensee's existing trade name to \$30.00.

Rule 33.1-1 Applications for Individual Permits to Receive Shipments of Liquor. Proposes an increase to the permit fee for individuals to receive shipments of liquor to \$12.00.

Rule 54-1 Filing Fees. Proposes an increase to the filing fee that accompanies a new or transfer license application to \$250.00.

Those persons desiring to testify at this hearing may register prior to the hearing at the hearing site and are encouraged to submit one copy of their testimony.

Attendance at the public hearing is not a prerequisite for submission of testimony. Written testimony which is received by **Monday, March 8, 2004** at the above address will be included with the record of the hearing.

A copy of the proposed rules will be mailed at no cost to persons who call (808) 523-4458 and provide their name and mailing address. Copies are also available at no cost at the address indicated above and on the Liquor Commission website at www.co.honolulu.hi.us/liq/.

Dated: February 2, 2004

LIQUOR COMMISSION OF THE
CITY AND COUNTY OF HONOLULU

JOHN P. SPIERLING, Chair
/s/ Wallace W. Weatherwax
By Wallace W. Weatherwax, Administrator

HONOLULU STAR-BULLETIN: February 3, 2004
P.O. # BT1534